CHAPTER XVIII—CUSTODY OF TREASURE.

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Custody of Money.

325. The bulk of the treasury balance remains in a strong room, the door of which has double locks, one of the keys being kept by the Treasury Officer and the other by the Treasurer. The Treasurer holds in his separate custody a sum sufficient for the convenient transaction of the Government business, and this sum, together with the value of stamps, opium, etc., in his sole custody, must not be larger than the security given by him. The sum so held should be seen and roughly verified by the Treasury Officer every night and locked up in the vault under double locks.

326. To guard against the risk of uncurrent or counterfeit coin being substituted in a treasury for good coin presented by the public or received in remittance, shroffs or other officials who handle coin in treasuries should, on arrival for the day's work, give up to the Treasurer or a responsible subordinate to whom the Treasurer may delegate the duty, all coin carried with them at the time. The coin will be restored, when the men leave office at the close of the day's work.

Strong Rooms.

327. The following are the rules regarding the security of strong rooms:—

(*a*) Without the special permission of Government, no place shall be used as a strong room unless it is first certified to be secure and fit for use as such by an officer of the Public Works Department not under the grade of an Executive Engineer. The inspecting officer in certifying the room, may prescribe any necessary conditions as to the manner of storing the coin as, *e.g.*, "that it must not be piled on trestles, but must be in boxes; that no bags or boxes be placed within a prescribed distance of the wall or in any particular part of the room." The

inspecting officer must specially examine the condition of any of the enclosing walls which are so situated that they are not, on the outside, under observation of the guard.

(*b*) Existing strong rooms will be inspected annually by the Executive Engineer or by an experienced Assistant Engineer or an Upper Subordinate holding sub-divisional charge, deputed by the Executive Engineer for the purpose. The inspecting officer will grant a certificate of safety and it is the duty of the Treasury Officer to obtain such a certificate annually.

(*c*) The commanding officer of the Military guard shall record an order prescribing the positions of the sentries, and may also require any additional precautions to be taken in the strengthening of fastenings, burning of lights, etc., but the responsibility for the security of the building and its fixtures shall remain with the Executive Engineer, and that for the security of the chests and other treasury furniture, not being part of the building or fixtures, shall remain with the officer in charge of the treasury.

(*d*) A copy of the inspecting officer's certificate and of the commanding officer's order shall be hung in a conspicuous place within the strong room. It is the duty of the officer in charge of the treasury to see that any conditions as to the manner of storage expressed in these documents are complied with.

(*e*) The doors and windows of the strong room shall remain permanently closed and locked, except during the time necessary for moving coin or other valuables into or out of it. The officer in charge must be personally present during the whole time between the opening and shutting of the strong room. The strong room must be closed if in the meantime he is called away on any duty.

(*f*) As an exception to the last rule, the opening of the shutters is permitted during office hours, in the aperture which is otherwise barred, if it is necessary for the admission of light or air to any other part of the building; provided that coin or valuables remain securely packed under lock and key.

(*g*) Only Chubbs, Hobbs or Godrej locks should be used for the Treasury strong rooms and double lock for main stores. (*G. O. No. R. 1425-35—R. M. 7-19-2, dated 25th July 1919.*)

Storage of Coin and Currency Notes.

328. The following are authorised methods of storing coin in strong rooms in treasuries :—

(1) In bags of uniform contents, placed in strong iron boxes or safes, or wooden chests, or built recesses or wells, each

of which has two independent locks *both* of which must be opened before access is obtained to the contents. One of the keys has to remain in charge of the Treasurer and the other in that of the officer in charge.

(2) In bags of uniform contents piled upon trestles. This method is not admissible unless every door, window, drain, skylight, ventilator and other aperture in the walls of the strong room are so closed as to prevent the insertion of any rod or instrument within the room.

(3) Temporarily, in boxes prepared for remittance, in the manner prescribed in Article 586.

NOTE.—Gold coin must be kept in a separate safe or chest.

329. All notes should be stored separately from coin in a tin box or other receptacle designed to protect them from injury by damp, insects, etc. They should be kept in bundles of not more than 100 notes each, each bundle containing notes of one denomination only.

Custody of Padlocks and Duplicate Keys.

330. (*a*) The following are the rules for the custody of duplicate keys of treasury strong room :—

(1) A register of all padlocks belonging to the District and Taluk treasuries shall be maintained in the following form and kept in the strong room of the District treasury :—

Date of receipt	Number borne by padlock and keys	Number of duplicates received	Initial of Treasury Officer who receives the key	Date of removal of any duplicate key	Number and date of order sanctioning the removal	Initial of Treasury Officer removing the key

Separate pages shall be assigned to the headquarter (District) treasury and for each Taluk treasury. Each Taluk treasury shall also keep a list of its own padlocks and keys in the above form.

(2) Every padlock shall have a number impressed upon it or attached to it by a metal or other label and the same number shall be impressed on or attached to each key belonging to it. No two padlocks in the same district shall bear the same number.

(3) If a padlock becomes unserviceable or ceases to be required or if any one of the keys belonging to it is lost, the circumstances shall be reported to the Revenue Commissioner, who shall pass orders regarding the disposal of the padlock and keys. No padlock, of which a duplicate key has been lost, shall continue to be used in the same district. No spare padlocks should be kept at a Taluk treasury, or, except with the permission of the Revenue Commissioner, at a District treasury, and duplicate keys should not be kept at Taluk treasuries.

(4) No local mechanic shall ever be allowed to repair a treasury padlock or to make a new key for one.

(5) The duplicate keys of the Taluk treasury will be sent to the Deputy Commissioners of the Treasury Department for safe custody.

(6) All spare padlocks with their keys, which are held in the District treasury with the approval of the Revenue Commissioner, and all duplicate keys, except those belonging to the locks of the headquarter strong room door, shall be kept in the headquarters strong rooms under double locks, the key of one lock being in the hands of the Treasury Officer and of the other in the hands of the Treasurer. The duplicate keys of the strong room shall be secured under the seal of the Treasury Officer and Treasurer and deposited in the State Huzur Treasury.

(7) The duplicate keys of the strong room of the State Huzur Treasury shall be deposited in the Bank of Mysore, Bangalore. (*G. O. No. Fl. 5768—G. F. 233 —25—2, dated 6th April 1926.*)

(8) Once a year in the month of July, the duplicate keys shall be sent for, examined and returned to the appointed place, under fresh seals of the Treasury Officer and the Treasurer or Shroff, a note being made in the duplicate key register that they have been examined and found correct.

(9) Whenever the charge of a treasury is transferred or a Treasurer is changed, all padlocks and duplicate keys belonging to the treasury shall be examined and compared with the register

and a certificate shall be signed that they have been found to be correct.

(10) At every inspection of a treasury, the inspecting officer shall report whether he has found the padlocks and all keys (except the duplicate keys of the strong room locks deposited elsewhere) correct and deposited in accordance with these rules.

(*b*) There is no objection to the above rules being modified in particular points to suit local convenience under special orders of the Revenue Commissioner. The essential points to be borne in mind in sanctioning any modification of the rules prescribed are :—

(1) that some person or persons shall be definitely responsible for the custody of duplicate keys ;

(2) that the whereabouts of the keys shall be enquired into periodically and also whenever charge is transferred ;

(3) that when the loss of a key is discovered, the loss shall at once be reported to the Revenue Commissioner by whom such orders should be issued as will prevent the risk of access to the lock by any one into whose hands the lost key may have fallen ; and

(4) that an unnecessary number of duplicates or spare locks and keys shall not be supplied in the first instance, or retained when they have ceased to be required.

Receipt and Issue of Money into and from Double Locks.

331. The following rules must be carefully observed in receiving money into or giving it out from double locks.

(*a*) (1) The money must be prepared by the Treasurer for reception into double locks by being made up in bags of uniform size and the Treasury Officer must thereafter cause the contents of each bag to be emptied into the scales, weighed and poured into another bag, which should be tied up in his presence. The bags thus tested should then be counted into the chest.

(2) Gold coins should be made up in bags of £100 each, the fractional part of £100 being kept in a separate bag.

(3) Rupees should be made up in bags of Rs. 1,000 each. If there are rupees remaining over, which cannot be left in the Treasurer's custody, a bag containing any multiple of Rs. 250 less than Rs. 1,000 should be made up, as a temporary measure, to be converted into a bag of Rs. 1,000, as soon as possible.

(4) Half-rupees should be made up in bags of Rs. 500 each. A supplementary bag of any multiple of Rs. 100 should be made up, if necessary, as provided in the preceding sub-rule. The bags should be put together into a bag of Rs. 1,000 or less.

(5) Quarter rupees should be made up in bags of Rs. 50 each. The supplementary bag should be of any multiple of Rs. 5. The bags should be put together into a larger bag.

(6) Two-anna pieces should be made up in bags of Rs. 50 each. The supplementary bag should be of any multiple of Rs. 5. The bags should be put together into a larger bag.

(7) The preceding sub-rule applies also to one anna pieces.

(8) Quarter annas should be made up in bags of Rs. 30, with a supplementary bag of any multiple of Rs. 5.

(9) Pies should be made up in bags of Rs. 10, with a supplementary bag of Rs. 5, if necessary. The bags should be put together into a larger bag.

(10) Nickel and silver coins should be kept in separate bags.

(11) Broken amounts other than those permitted by this rule should be placed in the receptacle for treasure.

(12) Rules 1 to 11 above, regarding money being placed under double lock only in multiples of certain sums, do not apply to uncurrent coin. All uncurrent coin should be kept separately under double locks.

(*b*) Silver coin may be given out of double locks by counting the number of bags only; if issued in broken amounts, rupees must be issued in multiples of Rs. 250 and other coin in multiples of Rs. 5, no whole bag being opened while another remains undepleted.

(*c*) When money is prepared for reception into double locks, a slip in Form 64, printed on stout paper should invariably be placed in each bag so that should any deficiency, etc., be found in a bag subsequently, the shroff or others responsible for the counting and examination of the money in the bag may easily be known. Flimsy scraps of paper illegibly written should never be used.

NOTE.—In the Taluk treasuries, the memorandum should be initialed and dated by the shroff and the Amildar or in his absence, the Sheristedar.

(*d*) Notes intended for delivery into double locks should be made up in bundles according to denomination in the order of receipt [see Article 565 *b*], the number in each bundle being stated upon the outside. No bundle should contain more than 100. They should be counted over by the officer in charge before being received.

(*e*) Notes when required to be given out of double locks should be counted in detail with the same car,e unless they have been made up into bundles of a fixed size, and signed (after testing as in the last rule) by the officer in charge.

(*f*) Every amount passed into or passed out of the double locks in a treasury should be registered at once in Form 65 (Treasurer's daily balance sheet) or when so specially authorised by the Comptroller, in Form 66 at the time by the officer in charge with his own hand, and a memorandum should be kept in each chest showing its contents.

NOTE.—Taluk treasuries are required to maintain a register in Form 66 for recording in detail the transaction in connection with the issues from and deposits in double locks, of notes and coin. This register should be compared, at each day's closing of accounts, with the shroff's daily balance sheet and the entries in the latter initialed by the Amildar.

(*g*) The lines in Form 65 should be printed wide apart so as to admit of two or three entries against each, in the rare cases when the same kind of money is taken out more than once on the same day.

(*h*) The maintenance of a separate register in Form 66 may be permitted in the case of any individual treasury, when the double lock transactions are numerous and a separate record is convenient and desirable. Each transaction in this register will be initialed *at the time* by the Treasury Officer, but the corresponding entries in the Treasurer's daily balance sheet may be made by the Treasurer. The Treasury Officer's register should be kept in the strong room and at the end of each day the Treasury Officer should carefully check (and attest by his initials) the double lock entries in the Treasurer's daily balance sheet by comparison with those in his own book.

NOTE.—To prevent fraud, it is necessary that the date and particulars of every addition to, or removal from, the treasure under double locks should *then and there* be recorded in the prescribed register.

(*i*) Money arriving from a distance too late in the day for examination may be kept in sealed bags under double locks but only until the next working day, the fact being recorded in the register mentioned in Article 4.

(*j*) In a Taluk treasury, the Amildar must personally open the double lock store when it is necessary to give out any cash or stamps in the morning or to put away in the evening the collections of the day which are in excess of the amount allowed to be kept under single lock. On no account, should he send his key with a messenger to the shroff. When the Amildar has to leave the station, he may leave his key with the Sheristadar, but he must carefully verify the cash directly he returns to headquarters and receive back his key. Each time the key is handed over by the Amildar to Sheristadar and received back, he should obtain from and give to the Sheristadar an acknowledgment of

its receipt in a register maintained for the purpose. The Amildar, or in his absence, the Sheristadar should see, before he leaves the office, that the door of the treasury is properly locked and sealed in the presence of the officer in charge of the military guard.

Verification of Cash Balance.

332. (*a*) The Deputy Commissioner, when at headquarters, must always verify the District treasury balance in person and sign the accounts to be rendered to the Comptroller; when he is absent on tour on the first of the month, the duties may be entrusted to the senior gazetted subordinate of the district staff present at headquarters, not being the officer in charge of the treasury, or to any of his Assistants. The Deputy Commissioner should, however, himself perform the duty in person at least once every four months. The fact of the Deputy Commissioner's absence must be distinctly noted in the returns and accounts. The Comptroller is forbidden to accept these returns and accounts under any other signature, save under the circumstances laid down above.

(*b*) If neither the Deputy Commissioner, nor any gazetted officer of the district staff, other than the Treasury Officer himself, is present at headquarters when the accounts are ready for signature, the cash balance may be verified and the accounts signed by the Treasury Officer; but the absence of all other officers as above must be certified on the face of the accounts; and the cash balance should be verified by another officer and reported to the Comptroller as soon as any such other officer returns to headquarters.

(*c*) In the case of Taluk treasuries, the Amildars should verify the balance in person and sign the accounts to be rendered to the District treasury. The Amildar should arrange to be at headquarters during the last days of the month and sign the monthly cash balance report. If he is obliged to be absent from headquarters on the last day of any month, a special report should be made to the District treasury, explaining the circumstances which rendered his return impossible. The cash balance on the closing day may in that case be certified and the cash balance report and other accounts signed by the Sheristadar. The Amildar should, however, verify and report the balance as soon as he returns to headquarters. In no case should an Amildar allow more than two consecutive months to pass without his verifying the balance at the end of the month.

(*d*) The verification of the cash balance in the State Huzur Treasury on the first of every month will be made by the Comptroller.

(*e*) When the verification of the cash balance takes place on a date other than the 1st of a month, it should be reported to the Comptroller in the usual form of cash balance report.

333. The following is a sufficient and ordinary procedure of a Treasury Officer or Deputy Commissioner in verifying a cash balance by counting:—

(*a*) *Gold coin.*—First take any bag at random, count 25 sovereigns and place them in one pan of a scale and balance it against a like quantity counted and placed in the other pan. Transfer the contents of the second pan to the first and balance the whole against a like quantity of sovereigns which being transferred to the first pan will raise its contents to £100. Verify the contents of the other bags against the standard weight. The contents of every bag containing a fraction of £100 as well as those of any bag found to weigh less than the standard weight should be verified by actual counting.

(*b*) *Silver coin.*—(i) Each bag contains a certain fixed amount. First take any bag at random, have Rs. 50 or Rs. 100 counted in detail and used as a weight in a small scale against which other similar sums are weighed, until the whole contents of the bag are exhausted. Care should be taken that the requisite number of parcels of Rs. 100 or Rs. 50 is made up. The whole amount thus tested should then be taken as a verified weight of Rs. 1,000 or Rs. 2,000 as the case may be, and be placed in one pan of a large pair of scales.

(ii) The whole number of bags should now be counted, and one in every twenty taken at random, opened, its contents poured into the scales and weighed against the verified Rs. 1,000 or Rs. 2,000. If their weight is less, they should be tested by weighment in sums of Rs. 100 as in the above clause; and if after such examination they are found correct, they should be substituted for those taken before as the verified weight.

(iii) Broken amounts may be verified by weighment in smaller quantities of Rs. 50 or Rs. 100 or Rs. 200.

(iv) With proper arrangements, about ten lakhs of coin can be tested in one hour in the above manner.

NOTE.—In Taluk treasuries every bag should be opened and the contents poured into the scales and weighed but if the coins are kept in net bags, the bags may be passed through the scales without being opened. If scales of sufficient size are not available, the bags must all be examined in the manner prescribed for the first bag.

(*c*) *Copper, bronze and nickel coin.*—There is no rule. The Deputy Commissioner may adopt any method of verification which he thinks satisfactory; but he must remember that he is personally responsible for the correctness of the balance stated by him. He should occasionally count the bags and examine their contents; but it is not essential to do so each month.

(*d*) *Notes.*—All notes of Rs. 100 and over should be counted with the officer's own hand. For smaller notes, the following plan is sufficient:—

(i) The notes being in bundles of a certain marked number, a few at the top may be folded back and the rest counted by clerks or assistants. The officer should then see, in the case of each bundle, whether the addition of the notes folded back, to the number already counted and marked, makes up the whole alleged number of the bundle.

(ii) The clerks or assistants should not be persons who are responsible for the correctness of the bundle, and the officer should satisfy himself that the notes in the bundle are all of the alleged value, *i.e.*, for example, that a ten rupee note is not counted as one of a fifty rupee bundle.

(iii) In Taluk treasuries, however, all notes should be counted by the Amildar himself.

(*e*) These rules should be printed and pasted on to a board, and hung up in the strong room, in a conspicuous place.

334. At the time of verification of the cash balance on the first of every month, the verifying officer should personally examine the calendars maintained by the Treasury Officers and satisfy himself that all accounts and returns due up to that date have been sent.

Cash Balance Report.

335. A Cash Balance Report for the last day of the month should be prepared in Form 67 in the case of District treasuries and Form 68 in the case of Taluk treasuries, showing separately the value of each kind of coin as well as the number of pieces of each denomination of notes.

336. The total balance should be stated in words, and its distribution between the headquarters and Taluk treasuries should be exhibited so as to show the amounts held in each in notes, in legal tender gold, in whole rupees, in small silver, in nickel and in bronze and copper; the portion of the headquarter balance under double locks, and under the Treasurer's single lock, respectively, should be noted.

337. The report provides also for memoranda detailing:—

(*a*) the remittances to other districts, despatched in the past month, with any of previous months for which first acknowledgments have not been received, the date of despatch being given in each case.

(*b*) the remittance received from other districts in the past month, with dates of despatch and receipt, and the despatch of the first and of the final acknowledgment.

338. The report from each District treasury should be despatched to the Comptroller positively on the 5th of the month. It should be signed by the Deputy Commissioner with a certificate that he has personally verified the several details of the coin and notes held. Whether it agrees with the account or, by any error in them, disagrees, it must declare the literal facts; and it will include with the coin actually found in the treasury, balances of the several Taluk treasuries on the last day of the month.

339. A weekly Cash Balance Report in Form 69 is also sent to the Comptroller to enable him to know what the cash balances are in the several treasuries in the State.

340. The Comptroller will report to Government, the name of any officer whose negligence causes delay in the submission of the Provincial Cash Balance Report.